

Message Text

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ACTION EUR-25

INFO OCT-01 ADP-00 AID-20 CEA-02 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 STR-08 TRSE-00

LAB-06 SIL-01 OMB-01 IO-12 L-03 OPIC-12 INT-08 MC-02

AGR-20 TAR-02 RSR-01 /150 W
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R 301418 Z APR 73

FM AMCONSUL MUNICH

TO SECSTATE WASHDC 4236

INFO AMEMBASSY BONN

USMISSION BERLIN

AMCONSUL BREMEN

AMCONSUL FRANKFURT

AMCONSUL DUESSELDORF

AMCONSUL HAMBURG

AMCONSUL STUTTGART

UNCLAS MUNICH 0739

E. O. 11652: N/ A

TAGS: ETRD, EEC, EFTA

SUBJECT: EC/ EFTA NON- APPLICANTS - RULES OF ORIGIN

REF: STATE 058443

1. PER INSTRUCTIONS CONTAINED REFTTEL, WE HAVE CONTACTED 30 IMPORTERS, DISTRIBUTORS AND U. S. MANUFACTURING SUBSIDIARIES. ONLY 2 FIRMS HAVE INDICATED THEIR IMPORTS FROM U. S. MAY BE ADVERSELY AFFECTED BY NEW RULES OF ORIGIN. HOWEVER, BOTH FIRMS NEED MORE TIME TO STUDY RELEVANT DOCUMENTS AS A RESULT OF CURRENT PREOCCUPATION WITH HANNOVER FAIR. WE WILL REPORT THIS INFO AS SOON AS IT BECOMES AVAILABLE, HOPEFULLY DURING WEEK OF APRIL 30.

2. IN GENERAL, MOST FIRMS WERE ONLY VAGUELY, IF AT ALL, AWARE OF NEW RULES OF ORIGIN. INDEED, LOCAL AUTHORITIES,
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INCLUDING CUSTOMS OFFICIE AND CHAMBER OF INDUSTRY AND TRADE HAVE ONLY RECENTLY BEGUN TO FAMILIARIZE SELVES WITH CONTENTS OF NEW FTA' S. WITH EXCEPTION OF 2 FIRMS MENTIONED ABOVE, FIRMS WE APPROACHED FELT THEY WOULD BE UNAFFECTED BY NEW RULES OF ORIGIN FOR VARIETY OF REASONS: (1) MOST MANUFACTURERS OF FINISHED PRODUCTS REPORTED ALL THEIR COMPONENTS CAME FROM FRG OR OTHER EEC SOURCES. FOR EXAMPLE, BMW' S ONLY IMPUT FROM U. S. FIRMS IS SMALL AMOUNT OF STEEL, CERTAIN LIGHTING EQUIPMENT AND GEARBOXES MANUFACTURED BY U. S. SUBSIDIARY IN UK. TEXAS INSTRUMENTS NO LONGER IMPORTS SIGNIFICANT INPUTS FROM OUTSIDE FRG IN ITS MANUFACTURE OF SEMI- CONDUCTORS; (2) OTHER RESPONDENTS, INCLUDING BUSINESS MACHINE AND ELECTRONIC COMPONENT FIRMS, WHICH IMPORT U. S. COMPONENT PARTS, REPORTED THAT FAVORABLE EFFECTS OF DOLLAR DEVALUATION, TECHNOLOGICAL SUPERIORITY OF U. S. COMPONENTS, AND RISING COSTS IN FRG WOULD PRECLUDE SWITCHING FROM THEIR USUAL AMERICAN SUPPLIERS OR MANUFACTURING COMPONENTS THEMSELVES IN EEC/ EFTA COUNTRIES; (3) IN NO CASE DID A RESPONDENT WHICH TRADITIONALLY EXPORTED LITTLE TO EFTA COUNTRIES ANTICIPATE SWITCHING FROM U. S. OR THIRD COUNTRY SUPPLIERS TO EEC/ EFTA SUPPLIERS IN AN EFFORT TO TAKE ADVANTAGE OF NEW RULES OF ORIGIN AND THEREBY INCREASE SALES IN EFTA, SIMPLY BECAUSE OF THE INSIGNIFICANCE OF EFTA MARKETS WHEN COMPARED WITH EEC MARKETS, PARTICULARLY FRG.

3. NO RESPONDENT EXPECTED THE RULES OF ORIGIN WOULD REDUCE ITS COMPLETITIVENESS IN MARKETS OUTSIDE EEC/ EFTA.

4. MOST FIRMS HAVE NOT HAD ENOUGH EXPERIENCE TO KNOW WHETHER PAPERWORK INVOLVED WAS BURDENSOM, BUT ANTICIPATE IT WILL BE. COPIES OF MOVEMENT CERTIFICATES WERE ALREADY AVAILABLE TO RESPONDENTS.

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TAGS: ETRD, GW, EEC, EFTA
To: BERLIN
BONN
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EUR
FRANKFURT
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SECSTATE WASHDC
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